

2007-372



North Shelby Water Company

PO Box 97
Bagdad, KY 40003
(502) 747-8942

August 13, 2007

RECEIVED

AUG 16 2007

PUBLIC SERVICE
COMMISSION

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

To the COMMISSION:

The North Shelby Water Company respectfully requests that the COMMISSION allow us to make an adjustment in our rates in accordance with 807 KAR 5:067 Purchased Water Adjustment clause.

The Company has been told by its suppliers, Louisville Water Company and Shelbyville Municipal Utilities that a \$0.15 and a \$0.05 increase will take effect on September 1, 2007. The Company purchased 259,253,100 gallons from Louisville and 48,715,600 gallons from Shelbyville between July 2006 and July 2007. The result of these increases is an increase to our rates of \$0.10 per 1,000 gallons. We propose to raise each gallonage block that amount.

The following documents are enclosed:

- Exhibit A. Purchased Water Rate Adjustment
- Exhibit B. Copy of Wholesale Tariff
- Exhibit C. Statement of Purchases and Sales
- Exhibit D. Notice to Customers
- Exhibit E. Tariff Sheet

If you have any questions, please contact Warner Broughman at 859-271-1778, as he is handling this matter.

Yours truly,

A handwritten signature in cursive script that reads "Darrell Dees".

Darrell Dees, Manager

DD:pac

PURCHASED WATER RATE ADJUSTMENT

Pursuant to KRS 278.012 and 278.015

North Shelby Water Company

(Name of Utility)

P.O. Box 97

Bagdad, KY 40003

(Business Mailing Address)

August 10, 2007

(Date)

(502) 747-8942

(Telephone Number)

1. (a) Names of all wholesale suppliers and the base rate and changed rate of each.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
(1) <u>Shelbyville</u>	\$ <u>1.56</u> per 1,000 gallons	\$ <u>1.61</u>
(2) <u>Frankfort</u>	\$ <u>1.539</u>	\$ <u>no change</u>
(3) <u>Louisville Water Co.</u>	\$ <u>1.56</u>	\$ <u>1.71</u>
(4) <u>West Shelby W.D.</u>	\$ <u>3.49</u>	\$ <u>no change</u>

(b) A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit B.

2. Twelve-month Period Upon Which Purchased Water Adjustment is Based

From July 2006 through July 2007

Month & Year

Month & Year

3. Statement of Water Purchases

<u>Supplier's Name</u>	<u>Gallons Purchased</u> <u>Meter No. 1</u>
(1) <u>Shelbyville</u>	<u>48,715,600</u>
(2) <u>Frankfort</u>	<u>202,702,000</u>
(3) <u>Louisville Co.</u>	<u>259,253,100</u>
(4) <u>West Shelby W.D.</u>	<u>0</u>
	<u>510,670,700</u>

4. Total Sales for the 12-Months 426,574,300 gallons

5. Purchased Water Adjustment Factor 0.10 per 1,000 gallons.

Unit Price Calculation

<u>Increase</u>	<u>\$41,323.75</u>	=	<u>.097</u>	Say \$0.10/1,000 gallons
<u>Water Sold</u>	<u>426,74.3</u>			

NOTE: Revised tariff sheets must be attached showing rates to be charged by the utility and the effective date of such increased rates.

Signature of Utility Officer
Manager

Title

EXHIBIT A



LOUISVILLE WATER COMPANY

550 SOUTH THIRD STREET • LOUISVILLE, KENTUCKY 40202

TEL 502-569-3600

WWW.LOUISVILLEWATER.COM

February 2, 2007

Mr. Sandy Broughman
Broughman & Associates
3161 Custer Drive
Lexington, KY 40502

Dear Mr. Broughman:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers last week. I appreciate the opportunity for feedback from this important customer group of our Company. Please find enclosed a copy of Bob Miller's comments, our 2006 Rate Study for FY 2007, and a copy of *Principles of Water Rates, Fees, and Charges*.

As indicated in paragraph 6.03 of the rate schedule, the rate for wholesale water service on and after May 1, 2007 will be \$1.44 per thousand gallons, plus an elevated service area surcharge of \$0.27 per thousand gallons. This new rate is subject to approval by the Public Service Commission. We are planning to file the necessary documentation for this new rate with the PSC in early March.

I again offer any assistance you may need, as we continue to bring the wholesale rates in line with our cost of service. Patti Kaelin will be following up with you during the next several weeks. In the meantime, if you have any questions please call her at 502.569.3600 ext. 2262, or Jim Smith at ext. 3687.

Sincerely,

John L. Huber
President

C: Jim Brammell
Bob Miller

EXHIBIT B

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

Shelbyville, Ky. 40066

Office: 1059 Washington St., Shelbyville, Ky. 40065

Phone: 502-633-2840 Fax: 502-633-1939

May 30, 2007

CERTIFIED MAIL

**Mr. Duncan LeCompte
North Shelby Water Company
P.O. Box 97
Bagdad, Kentucky 40003**

RE: Rate Increase

Dear Mr. LeCompte:

Enclosed is the "NOTICE" for this rate increase. Other information regarding the rate increase was contained in my May 22, 2007 letter to your attention.

Sincerely,



**Thomas G. Doyle
Manager**

NOTICE

The Shelbyville Municipal Water & Sewer Commission ("SMW&SC") has filed a proposed rate schedule which will increase the rate for water service as follows:

	Current rate	Proposed Rate	% Increase
North Shelby Water Company	\$1.56 per 1,000 gal.	\$1.61 per 1,000 gal.	3%
West Shelby Water District	\$1.68 per 1,000 gal.	\$1.73 per 1,000 gal.	3%

The proposed effective date is with the September 1, 2007 billing, which will be for water purchased between July 19, 2007 and August 19, 2007, and thereafter, until the next rate change occurs.

The rates contained in this notice are the rates proposed by the "SMW&SC". However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other SMW&SC filings by contacting Thomas G. Doyle at the utility's office located at 1059 Washington Street in Shelbyville, Kentucky; telephone 502-633-1939

Any person may examine the rate application and other SMW&SC filings by visiting the utility's office located at 1059 Washington Street in Shelbyville, Kentucky, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

SCHEDULE OF PURCHASES AND SALES

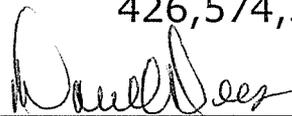
July 2006 to July 2007

Purchases

Louisville Water Company	259,253,100
Shelbyville Municipal Utilities	48,715,600
Frankfort Plant Board	202,702,000

Sales

All Customers	426,574,300
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Darrell Dees
Manager

EXHIBIT C

NOTICE

North Shelby Water Company has filed an application with the Public Service Commission for a proposed rate change for water service. The change is made necessary due to an increase in the wholesale price of water from our supplier.

The rates contained in this notice are the rates proposed by North Shelby Water Company. However, the Public Service Commission may order rates to be changes that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

5/8 x 3/4 Meters

First 2,000 gallons per month (minimum bill)	\$11.74
Next 3,000 gallons per month per 1,000 gallons	\$ 4.75
Next 5,000 gallons per month per 1,000 gallons	\$ 3.63
Next 40,000 gallons per month per 1,000 gallons	\$ 3.07
Over 50,000 gallons per month per 1,000 gallons	\$ 2.51

1-inch Meters

First 5,000 gallons per month (minimum bill)	\$25.99
Next 5,000 gallons per month per 1,000 gallons	\$ 3.63
Next 40,000 gallons per month per 1,000 gallons	\$ 3.07
Over 50,000 gallons per month per 1,000 gallons	\$ 2.51

1-1/2 Inch Meter

First 10,000 gallons per month (minimum bill)	\$44.14
Next 40,000 gallons per month per 1,000 gallons	\$ 3.07
Over 50,000 gallons per month per 1,000 gallons	\$ 2.51

2 Inch Meter

First 15,000 gallons per month (minimum bill)	\$59.49
Next 35,000 gallons per month per 1,000 gallons	\$ 3.07
Over 50,000 gallons per month per 1,000 gallons	\$ 2.51

3 Inch Meter

First 35,000 gallons per month (minimum bill)	\$120.89
Next 15,000 gallons per month per 1,000 gallons	\$ 3.07
Over 50,000 gallons per month per 1,000 gallons	\$ 2.51

Any corporation, association, body politic or person may by motion within 30 days after publication of the proposed rate changes, request leave to intervene. All persons having reasons to intervene should file with the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602. The application is on file at the offices for the North Shelby Water Company, 4596 Bagdad Road, Bagdad, KY and is available for examination during business hours.

EXHIBIT D

For Entire Service Area
Community, Town or City

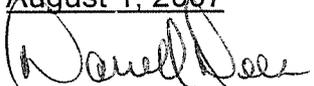
North Shelby Water Company
P.O. Box 97
Bagdad, KY 40003

P.S.C. KY No.

Cancelling P.S.C. KY No. 2005-00140
(Sheet No)

CLASSIFICATION OF SERVICE	RATE PER UNIT
Rates: <u>5/8 x 3/4 Inch Meter</u>	
First 2,000 gallons per month (minimum bill)	\$11.74
Next 3,000 gallons per month per 1,000 gallons	4.75
Next 5,000 gallons per month per 1,000 gallons	3.63
Next 40,000 gallons per month per 1,000 gallons	3.07
Over 50,000 gallons per month per 1,000 gallons	2.51
 <u>1 Inch Meter</u>	
First 20,000 gallons per month (minimum bill)	\$25.99
Next 5,000 gallons per month per 1,000 gallons	3.63
Next 40,000 gallons per month per 1,000 gallons	3.07
Over 50,000 gallons per month per 1,000 gallons	2.51
 <u>1-1/2 Inch Meter</u>	
First 10,000 gallons per month (minimum bill)	\$44.14
Next 40,000 gallons per month per 1,000 gallons	3.07
Over 50,000 gallons per month per 1,000 gallons	2.51
 <u>2 Inch Meter</u>	
First 15,000 gallons per month (minimum bill)	\$59.49
Next 40,000 gallons per month per 1,000 gallons	3.07
Over 50,000 gallons per month per 1,000 gallons	2.51
 <u>3 Inch Meter</u>	
First 35,000 gallons per month (minimum bill)	\$121.89
Next 15,000 gallons per month per 1,000 gallons	3.07
Over 50,000 gallons per month per 1,000 gallons	2.51

Date of Issue August 1, 2007 Date Effective _____

Issued by  Title: Manager

Issued by the authority of an Order of the Public Service Commission of
Kentucky in Case No. _____ Dated _____

EXHIBIT E